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Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

Fifth report: utilization of the development dividend

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on utilization of the development dividend following the establishment of the Development Account (A/53/374). During the Committee's consideration of the report, representatives of the Secretary-General provided additional information.

2. In paragraph 6 of its resolution 52/235 of 26 June 1998, entitled "Development Account", the General Assembly requested the Secretary-General to submit proposals on the use of the funds available under a new section 34 of the programme budget for the biennium 1998–1999. Upon enquiry, the Advisory Committee was informed that the proposals were being presented to the Second Committee in October 1998.

3. The Advisory Committee notes that the report is part of a first attempt to start a process of implementation of the Development Account. When the Account is fully operational, project proposals should be reviewed in the context of the proposed programme budget.

4. As indicated in paragraph 6 of the report, the projects proposed for funding by the Development Account have been developed on the basis of the performance criteria indicated in the report of the Secretary-General on the Development Account (A/53/7/Add.1), in which it indicated that it would take up the annexes in document A/52/1009 in the context of its consideration of document A/53/374.

5. With regard to the information contained in annex I of document A/52/1009, the Advisory Committee notes that it deals with the types of efficiency measures to be implemented throughout the Secretariat. In this connection, the Committee recalls its related comments in its first report on the proposed programme budget for 1998–1999. In connection with the information contained in annex II of document A/52/1009 on areas where the resources from the Development Account could be utilized, it is the view of the Committee that this information has been superseded by the proposals contained in document A/53/374.

6. The Advisory Committee notes from paragraph 3 of document A/53/374 that the proposals draw upon and contribute to the relevant priorities and subprogrammes established in the medium-term plan for the period 1998–2001. However, the proposed projects would complement and not substitute for existing activities. In this connection, the Committee recalls paragraph 21 (a) of document A/52/1009, in which the Secretary-General

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indicated that one of the principles to guide project formulation is that the projects should complement, and not substitute for, existing programme activities. The Committee expects that future submissions of the Secretary-General should contain sufficient and specific information to confirm that projects are regional and/or interregional in nature and that they are not substitutes but complementary. Furthermore, the Committee is of the view that resources budgeted under section 34 should be available to fund new projects rather than existing mandated activities. Once submitted by the Secretary-General and approved by the General Assembly, these new projects would become mandated activities.

7. In this connection, the term "complement" needs to be precisely defined as to whether it applies to activities funded from the regular budget only or whether it also covers extrabudgetary activities. The Advisory Committee points out that the use of the Development Account to fund extrabudgetary activities would involve the transfer of resources from the regular budget to extrabudgetary activities. The Mercure satellite earth stations project (A/53/374, paras. 31–37), for example, is an extrabudgetary activity, which if funded from the Development Account would amount to using resources from the regular budget to fund extrabudgetary activities. The General Assembly may therefore wish to consider that the term "complement" should not apply to extrabudgetary funded programmes. The Committee points out that to the extent that any of the projects outlined in document A/53/374 deviate from the principles outlined above, they should not be considered a precedent.

8. As indicated in paragraph 2 above, the Secretary-General was requested by the General Assembly to submit proposals on the use of funds available under section 34 of the programme budget for the biennium 1998–1999. The Advisory Committee observes that unlike section 21 of the programme budget, which is demand-driven in the sense that it deals with direct requests from individual Member States, section 34 is much more at the initiative of the United Nations, since the United Nations is, of necessity, involved in the planning and programming of regional and/or global activities.

9. The Advisory Committee recalls that for the biennium 1998–1999, the General Assembly, in its resolution 52/221 A of 22 December 1997, had appropriated an amount of $13,065,000 for the Development Account under section 34 of the programme budget. The Committee notes from the annex in document A/53/374 that the total resource requirements for the projects amount to $12,305,000, leaving a balance of $760,000. Upon request, a breakdown of the costs by project was provided to the Committee and is attached to the present report as an annex. However, the information was not analysed by the Committee. In the opinion of the Committee, irrespective of the balance of $760,000, it is unlikely that the total amount of $13,065,000 will be programmed and fully utilized during the biennium. In this case, the procedure for carry-over will be applied and the proposed programme budget for 2000–2001 should include proposals for the full use of resources under the account, including any balance carried over.

10. The Advisory Committee notes from document A/53/374 that each proposed project sets forth relevant indicators to measure whether and to what extent the expected results are to be achieved. The Committee welcomes the attempt to provide indicators. However, it is the view of the Committee that there is a need for further refinement and precision in the delineation of indicators, including a description of the situation before the implementation of the projects so as to be able to better measure the results achieved.

11. Upon enquiry, the Advisory Committee was informed that the resource requirements of the proposed projects did not involve staff costs, nor has the question been addressed of how ongoing maintenance costs for projects will be funded. The Committee expects that future reporting will contain fully costed project proposals.

Annex

Cost breakdown by project*

(United States dollars)

Proposal A: Promotion of electronic commerce (United Nations Conference on Trade and Development)

Preparation of policy-oriented studies on issues related to a global framework for electronic commerce and the effects of internationally agreed commitments and/or standards. Includes (a) $120,000 for 12 work-months of consultancy (at $10,000 per month) for policy-oriented analyses, designed for government officials, on two groups of issues: the impact of current proposals made in the Organisation for Economic Cooperation and Development, the World Trade Organization and elsewhere for a global framework for electronic commerce; and the nature and implications of potential internationally agreed commitments/standards in the area of trade facilitation and electronic commerce on government policies in the various sectors involved, and (b) $120,000 for 12 months of consultancy (at $10,000 per month) for analyses of the effects of international documentary standards and business practices for electronic commerce (at both the government and industry levels) on businesses in developing countries and countries in transition (in support of activities (a) and (b) under para. 23).	240,000
$130,000 for the organization of two high-level expert meetings (15 participants each, at $65,000 each) to discuss the conclusions and recommendations of the above studies (in support of activity (b) under para. 23).	130,000
External editing, printing and dissemination of studies (in support of activity (b) under para. 23).	26,000
Two round-table conferences on electronic commerce ($70,000 with 20 participants each) (in support of activity (d) under para. 23).	140,000
18 work-months of consultancy (at $10,000 per month) and 17.5 work-months of temporary assistance (at $8,000 per month) to develop a database management system aimed at facilitating fast and user-friendly inputting, searching and downloading of information on electronic trading opportunities from the Global Trade Point Network (GTPNet); a package with standard solutions for a "paperless small and medium enterprise office"; a software package for secure transmission of messages, specifically designed to meet the needs of small and medium enterprises; and the preparation of a standard format for the presentation of Trade Point Web pages on the GTPNet, as well as a proposal for elements to be contained in a company Web presentation (in support of activity (e) under para. 23).	320,000

* Paragraph references are to document A/53/374.

28 work-months of consultancy (at $10,000 per month), including corporate consulting, to develop computer-assisted training courses on export and import practices in the area of electronic commerce and freight forwarding, and on electronic commerce and international marketing via the Internet, which includes consultancy work and corporate consulting on the preparation of computer-assisted training courses for small and medium enterprises in developing countries and countries in transition on (a) export and import practices in the age of electronic commerce, (b) international payments in electronic commerce, (c) freight-forwarding and electronic commerce and (d) international marketing, with a particular focus on the use of the Internet. Also includes $100,000 for the acquisition of documentation and software for the development of course materials.	380,000
Advisory missions to assist on policy issues relating to trade facilitation and electronic commerce (18 work-months consultancy at $10,000 per month and 6 work-months of temporary assistance at $4,000 per month to support consultants providing expertise to trade points on the setting up and marketing of electronic commerce services for the travel expenses of their small and medium enterprise clients) (in support of activity (c) under para. 23).	204,000
One two-week training-of-trainers course ($200,000 for 40 participants at $5,000 each) for travel expenses of participants from 10 pilot countries; $36,000 (six work-months at $6,000 per month) for temporary assistance to organize the preparation and delivery of the course; and $4,000 for related communication and supplies (in support of activity (g) under para. 23).	240,000
Equipment and software to facilitate the delivery of training courses and to equip 10 pilot trade points ($30,000 per trade point) (in support of activities (f) and (g) under para. 23).	300,000
Total	**1,980,000**

Proposal B: Capacity-building in economic and social policy analysis in Africa through the networking of expertise (Economic Commission for Africa)

52 work-months of consultancy (at $8,000 per month) to undertake studies of major policy issues critical to African development (in support of activity (a) under para. 30).	416,000
External editing and printing of policy studies (in support of activity (a) under para. 30).	74,000
Strengthening communications infrastructure among the network institutions (4 subregional networks at $25,000 each and 20 national networks at $15,000 each) (in support of activity (b) under para. 30).	400,000
Organizing three annual meetings of network partners forum (in 1999, 2000 and 2001, 30 participants each, at $70,000 per meeting) (in support of activity (c) under para. 30).	210,000
Provisions for the implementation of a visiting scholars' programme at ECA (30 scholars at $10,000 each) (in support of activity (d) under para. 30).	300,000
Provisions for a staff exchange programme between research institutions of the network (50 researchers at $4,000 each) (in support of activity (e) under para. 30).	200,000
Provisions for the implementation of a fellowship programme for young African professionals (200 fellows at $3,000 each) (in support of activity (f) under para. 30).	600,000
20 work-months of consultancy (at $8,000 per month) and 35 work-months of temporary assistance (at $4,000 per month) to set up and launch the operation of common databases and to strengthen research methodology expertise in the network (in support of activities (g) and (h) under para. 30).	300,000
Total	**2,500,000**

Proposal C: Extension of access of developing countries and countries with economies in transition to Mercure satellite telecommunication system for interconnectivity in environmental information and data (United Nations Environment Programme)

Equipment. Provision of 10 Mercure earth stations and associated equipment capable of accommodating full-capacity video links, a priority request from developing countries that have shown interest in joining the Mercure system (10 at $105,000 each) (in support of activity (a) under para. 35).	1,050,000
Contractual services. Installation of Mercure earth stations in 10 developing countries (at $34,500 per station), which involves shipment of the equipment to the site, preparation of the base of the antenna, grounding works, alignment of the equipment and initial installation and testing of computer equipment associated with the Mercure station (in support of activity (a) under para. 35).	345,000
Contractual services. Provision of local area networks (at $32,000 each), which involves patching the Mercure system computers into the network computers of the institution of the developing country where the system will provide services, including the provisions of multiple network cards, network wiring, software licensing and high-capacity computers (in support of activity (b) under para. 35).	320,000
Maintenance charge. Satellite transponder charge to ensure efficient use of the existing capacity (would be negotiated with Intelsat by the Information Technology Services Division to obtain the most favourable access rates) (in support of activity (e) under para. 35).	60,000
Training. Two workshops for earth station operators (20 participants each, in 2000 and 2001, at $55,000 each) (in support of activity (c) under para. 35).	110,000
Contractual services. Maintenance and operation of the Mercure earth stations (for a three-year period at $33,000 per station, or $11,000 per station per year) (in support of activity (a) under para. 35).	330,000
Total	**2,215,000**

Proposal D: Computer and telecommunication system for international and national drug control (United Nations International Drug Control Programme)

48 work-months to install the computer and telecommunication system for international and national drug control in 18 selected countries of Asia and Central America (4 installations per country resulting in a total of 72 installations at $20,000 per country, or $5,000 per installation), including help desk support at the initial stage and $50,000 in related travel expenses (in support of activity (a) under para. 44).	410,000
24 work-months (at $8,000 per month) to install the computer and telecommunication system for international and national drug control in 12 locations in 9 countries of Africa and Europe, and to coordinate, from Vienna, between help desks in Asia, Central America, Africa and Europe, and $28,000 of related travel expenses (in support of activity (a) under para. 44).	220,000
Equipment/commercial software licenses (in support of activity (a) under para. 44).	120,000
Translation and printing of technical documentation and manuals (in support of activities (b) and (c) under para. 44).	13,000
One workshop on the use of the system (22 participants funded by the project at $2,500 each plus additional participants funded by countries themselves) (in support of activity (c) under para. 44).	55,000
24 work-months of consultancy (at $8,000 per month) and 15 work-months of temporary assistance (at $6,000 per month) to develop additional modules of the data-secure information exchange system among partners in international drug control, including the preparation of related technical documentation and manuals (in support of activity (b) under para. 44).	282,000
Total	**1,100,000**

Proposal E: Capacity-building and networking for the implementation of the Habitat Agenda in least developed countries (United Nations Centre for Human Settlements)

30 work-months of consultancy (at $6,000 per month) and 28 work-months of temporary assistance ($5,000) to develop and test training aids and methodological tools and to compile indicators, best practices and legislation (in support of activities (a) and (b) under para. 51).	320,000
Organization of four subregional workshops: two in Africa, one in Latin America and one in Asia (30 participants each, including representatives of national and local governments, civic and community leaders, parliamentarians and practising professionals, at $90,000 per meeting) (in support of activity (c) under para. 51).	360,000
Organization of an interregional meeting of partners for refining training aids and methodological tools ($70,000 for 15–20 participants) (in support of activity (d) under para. 51).	70,000
Editing, translation into French and Spanish, when required, and printing and dissemination of training and methodological materials (in support of activities (a), (b), (c) and (d) under para. 51).	130,000
Equipment (server and related software and peripheral equipment to support Internet linkages of the network) (in support of activities (a), (b), (c) and (d) under para. 51).	65,000
Total	**945,000**

Proposal F: On-line development centre (Department of Economic and Social Affairs of the United Nations Secretariat)

Contractual services	
Systems consultant to configure United Nations Headquarters servers (2 work-months at $5,000 per month);	10,000
Developers/programmers to build interactive interface to on-line directories (6 work-months at $5,000 per month);	30,000
Installation of on-line meeting and training facilities at selected field sites (16 work-months at $5,000 per month) (in support of activities (a), (b) and (c) under para. 58).	80,000
Travel	
Travel to 10 subregional centres for installation and training (at $4,000 per centre) (in support of activities (a) and (b) under para. 58).	40,000
Training	
Training for field site managers in on-line conference facilitation and related facilities (2 instructor work-months at $5,000 per month) (in support of activity (b) under para. 58).	10,000
Equipment and software	
2 middle-range Internet servers at United Nations Headquarters (at $15,000 each);	30,000
10 regional meeting centres, including desktop workstations with audio capability, network server, office furniture, physical security, one-year Internet access charges (at $30,000 per centre);	300,000
1 network meeting software package with comprehensive site licence;	5,000
List server and document conversion utilities (in support of activities (a) and (c) under para. 58).	5,000
Total	**510,000**

Proposal G: Research network for global policy analysis (Department of Economic and Social Affairs of the United Nations Secretariat)

Participation of researchers from developing countries at:

(a) International macroeconomic policy analysis symposiums to assess the stable prospects of the world economy such as Project LINK (six meetings with 20 additional participants at $2,500 each);	300,000
(b) Regional macroeconomic policy analysis meetings that explore the economic growth prospects in the developing countries, particularly in Africa (four meetings of 20 participants at $1,250 each) (in support of activity (d) under para. 65).	100,000
Training of developing country researchers at regional workshops aiming at forging lasting networking arrangements (10 workshops at $12,500 each, including the fees and travel expenses of international experts) (in support of activity (a) under para. 65).	125,000
Development of macroeconomic national models, especially in Africa, capable of monitoring national and international trends, with a view to integrating them into global policy analyses (10 countries at $12,500 each, including the fees and travel expenses of international experts and technical advisers and temporary assistance for local support staff during the setting up of national models) (in support of activity (b) under para. 65).	125,000
Equipment and software for developing country institutions in support of macroeconomic modelling and Internet linkages with network partners (15 countries at $5,000 each) (in support of activities (b) and (c) under para. 65).	75,000
Total	**725,000**

Proposal H: Activities for the implementation of Agenda 21, the Copenhagen Declaration and the Programme of Action of the World Summit for Social Development and the Beijing Declaration and Platform for Action (Department of Economic and Social Affairs of the United Nations Secretariat)

36 work-months of consultancy (at $8,000 per month) and 24 work-months of temporary assistance (at $6,000 per month) in support of capacity-building, the development of indicators and prototype mechanisms and the preparation of guidelines, manuals and information materials (in support of activities (c), (f), (g), and (h) under para. 72).	432,000
Organization of 16 regional and subregional meetings (at $52,500 each) (with 20 participants each, resulting in the exposure of an estimated 320 government officials and decision-makers to critical issues regarding the implementation of the conferences) on the exchange of national experience and information on the development and use of national approaches/strategies for and national experience in implementing Agenda 21, the Copenhagen Declaration and the Programme of Action of the World Summit for Social Development and the Beijing Declaration and Platform for Action; in support of capacity-building, particularly to assist developing countries to incorporate modern information systems and techniques into national decision-making processes; and on identification of obstacles to effective implementation and monitoring of progress (in support of activities (a), (d), (i) and (j) under para. 72).	840,000
40 work-months of technical advisers (at $12,500 per month), their related travel expenses ($118,000) and travel expenses of staff when on advisory missions ($120,000) to provide advisory support to assist least developed countries, as requested, in the preparation of relevant national strategies and on the use of agreed indicators and to address technical issues and problems, identify solutions and overcome bottlenecks and trouble spots (in support of activities (b) and (c) under para. 72).	738,000
Hardware and software to support Internet linkages of the network under the project, including computer equipment for least developed countries, and resources for the organization of five Internet conferences with a view to enabling developing countries to share experiences and best practices and to contribute to the review and appraisal of the implementation of the three global conferences (in support of activity (k) under para. 72).	200,000
External editing, translation into French and Spanish, when required, and printing of training and methodological materials and manuals (in support of activities (c), (f), (g) and (h) under para. 72).	120,000
Total	**2,330,000**